

REQUIRED SUPPLEMENTARY INFORMATION



City of Los Altos
Required Supplementary Information
For the year ended June 30, 2011

1. BUDGETS AND BUDGETARY ACCOUNTING

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 17,022,000	\$ 17,022,000	\$ 17,713,864	\$ 691,864
Licenses, permits and park in-lieu	3,064,940	3,094,940	3,187,014	92,074
Intergovernmental	2,861,210	2,861,210	3,121,592	260,382
Grants and donations	50,000	65,000	57,875	(7,125)
Charges for services	3,906,270	3,906,270	4,019,778	113,508
Fines and forfeitures	229,130	229,130	126,300	(102,830)
Interest and rentals	458,000	458,000	255,497	(202,503)
Other	154,420	154,420	179,174	24,754
Total revenues	27,745,970	27,790,970	28,661,094	870,126
EXPENDITURES:				
Current:				
Public safety	13,917,756	13,917,756	13,544,119	373,637
Public works	4,083,161	4,128,986	4,131,365	(2,379)
Recreation	2,000,657	2,015,877	1,906,658	109,219
Community development	3,541,751	3,579,576	3,305,550	274,026
Admin / Community services	3,909,596	4,076,599	3,516,497	560,102
Total expenditures	27,452,921	27,718,794	26,404,189	1,314,604
REVENUES OVER (UNDER) EXPENDITURES	293,049	72,176	2,256,905	2,184,729
OTHER FINANCING SOURCES (USES):				
Transfers in	355,000	355,000	306,608	(48,392)
Transfers (out)	(260,000)	(1,760,000)	(1,730,000)	30,000
Total other financing sources (uses)	95,000	(1,405,000)	(1,423,392)	(18,392)
NET CHANGE IN FUND BALANCE	\$ 388,049	\$ (1,332,824)	833,513	\$ 2,166,337
FUND BALANCES:				
Beginning of year			7,050,559	
End of year			<u>\$ 7,884,072</u>	

City of Los Altos
Required Supplementary Information, Continued
For the year ended June 30, 2011

2. PENSION PLAN

The City retirement plans for miscellaneous and safety employees are part of the PERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's miscellaneous and safety employees is no longer available nor disclosed.

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Schedule of Funding Progress
(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
1/1/09	0	\$ 1,662	\$ 1,662	0%	\$ 10,884	15.3%

City of Los Altos
Notes to Required Supplementary Information
For the year ended June 30, 2011

BUDGETS AND BUDGETARY ACCOUNTING

The City adopts a budget annually that is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund to achieve a balanced budget; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year-end, unless otherwise authorized by the City Council and the City Manager, except for capital improvement funds for which appropriations endure until the project is completed.

Budgets are adopted on a basis consistent with generally accepted accounting principles except for capital projects funds, which are adopted on a project length basis, which means budgets are used until the project's completion for the entire project amount.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. By resolution, encumbrances are re-appropriated in the next fiscal year.

